

LBNL – PROCUREMENT STANDARD PRACTICES

Section: 3 Improper Business Practices

Subject: 3.6 Procurement Ethics

PURPOSE: This standard practice (SP) establishes the standards by which procurement personnel will conduct themselves while performing procurement activities for the Laboratory.

POLICY: It is the policy of the Laboratory to separate an employee's Laboratory and private interests and to safeguard the Laboratory and its employees against charges of favoritism in the acquisition of goods and services.

SCOPE: This SP applies to all procurement personnel and includes all procurement activities.

PROCEDURES:

Acceptance of Gifts, Entertainment, or Favors

Procurement personnel may not solicit or accept, directly or indirectly, any gratuity, gift, favor, entertainment, loan, or other item of monetary value if they have reason to believe, or it may be construed that, the donor person, corporation, or group:

- Has or is seeking to obtain contractual or other business or financial relationships with the Laboratory;
- Has interests that may be substantially affected by the employee's performance or nonperformance of official duties; or
- Is seeking to affect the employee's official action.

Procurement personnel are also prohibited from:

- Accepting lunches or dinners, unless the principal purpose of the meeting, convention, conference, or seminar is to disseminate technical or professional information, and
- Obtaining from a supplier with whom the Laboratory does business any item or service for personal use in any manner other than that which is available to the general public.

Exceptions

The above prohibitions do not preclude the acceptance of ordinary business courtesies, unsolicited advertising novelties or promotional material, modest entertainment in connection with attendance at widely attended gatherings, loans from banks or other financial institutions on customary terms, or free transportation in customary form on official business.

Ethical Standards

The Procurement and Property Management Department has adopted the essence of the Institute for Supply Management's *Principles and Standards of Ethical Supply Management Conduct* as a guide to ethical practices related to procurement

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activities. Procurement personnel will comply with these principles and standards, which are:

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
2. Demonstrate loyalty to the Laboratory by diligently following the lawful instructions of the Laboratory, using reasonable care within granted authority.
3. Avoid any personal business or professional activity that would create a conflict between personal interests and the interests of the Laboratory.
4. Avoid soliciting or accepting money, loans, credits, or preferential discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, procurement decisions.
5. Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations.
6. Promote positive supplier relationships through courtesy and impartiality.
7. Avoid improper reciprocal agreements.
8. Know and obey the letter and spirit of laws applicable to procurement.
9. Encourage support for Small Business concerns.
10. Acquire and maintain professional competence.
11. Conduct procurement activities in accordance with national and international laws, customs, and practices, Laboratory policies, and these ethical principles and standards of conduct.
12. Enhance the proficiency and stature of the purchasing profession.

Other Requirements

Nothing in this procedure will be construed to relieve procurement personnel of their responsibility to comply with other SPs in this section pertaining to standards of conduct (see SPs 3.3 - 3.5).

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RESPONSIBILITIES:

Procurement Personnel

Procurement personnel will:

- Not solicit or accept, directly or indirectly, any gratuity, gift, favor, entertainment, loan, or other item of monetary value that may be interpreted as an act of favoritism;
- Comply with the ethical standards listed in this SP; and
- Comply with other SPs in this section pertaining to standards of conduct.

REFERENCES

Prime Contract Clause 1.2 – Gratuities.

